

FISCAL NOTE

SB 2764 - HB 2747

February 14, 2000

SUMMARY OF BILL: Imposes the full local option sales tax on the full price of any item sold except for motor vehicles, single aircraft, and boats. Under existing law, local option sales tax is only charged on the first \$1,600 of the sales price of any single item sold.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$225,000

Increase State Expenditures - \$140,600 One-Time

Increase Local Govt. Revenues - Exceeds \$20,000,000

Estimate assumes the following:

- An increase in state revenues of approximately \$225,000 as a result of the 1.125% administrative fee allocated to the Department of Revenue for collecting the tax.
- Current estimated revenues from local-option sales taxes attributable to items sold with a sales price that exceeds the single item cap of \$1,600 are approximately \$184,700,000.
- An increase in local government revenues of approximately \$20,000,000 is estimated to result from applying the full local option sales tax to items other than motor vehicles, boats, and single aircraft. Some of these items would include big screen televisions, jewelry, computers and furniture.
- A one-time increase in state expenditures for MIS system implementation costs.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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